Queen’s Walk Investment Limited

Results Presentation – Quarter Ended 31 March 2010

11 June 2010

Important Information

This document, which has been issued by Cheyne Capital Management (UK) LLP ("CCM"), comprises the written materials/slides for a presentation concerning Queen's Walk Investment Limited (the "Company"). This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company or securities in any other entity nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto.

This document contains forward-looking statements that involve substantial risks and uncertainties and actual results and developments may differ materially from those expressed or implied by these statements or a variety of factors. Past performance is no guide to performance in the future, the value of investments can go down as well as up. No reliance may be placed for any purposes whatsoever on the information contained in this document or on its completeness. No representation or warranty, express or implied, is given by or on behalf of the Company, CCM or any of such persons' directors, officers or employees or any other person as to (a) the accuracy or completeness of the information or (b) the opinions contained in this document and no liability is accepted for any such information or opinions.

The information and any opinions contained in this document are provided as at the date of this presentation and are subject to updating, revision, verification, and amendment and such information may change without notice.

This document and its contents are confidential and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose and it is intended for distribution in the United Kingdom only to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or to those persons to whom it can otherwise lawfully be distributed.

Notwithstanding the otherwise confidential nature of this document and its contents, the Company and each recipient (and each of their employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, the US federal income tax treatment and tax structure of the transaction and all materials of any kind (including opinions or other tax analyses) relating to such tax treatment and tax structure. This authorization to disclose the tax treatment and tax structure does not permit disclosure of information identifying the Company or this particular offering.

You are not our client or customer and we do not owe you any contractual or fiduciary responsibilities and you are not relying on CCM or any of its affiliates for information, advice or recommendations of any sort. Nothing in this document should be construed as a recommendation to invest in any securities or funds, or as legal, accounting or tax advice. This document is not for distribution to Private Customers as defined by the Financial Services Authority.

Neither this document nor any copy of it may be taken or transmitted into the United States of America, its territories or possessions, or distributed, directly or indirectly, in the United States of America, its territories or possessions, or to any US person (as defined in Rule 902 of Regulation S under the US Securities Act of 1933 (the "Securities Act")). This document does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein. Neither this document nor any copy of it may be taken or transmitted into Australia, Canada or Japan or to Canadian persons or to any securities analyst or other person in any of those jurisdictions. Any failure to comply with these restrictions may constitute a violation of United States, Australian, Canadian or Japanese securities law. The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. The securities referred to herein have not been and will not be registered under the applicable securities laws of Canada, Australia or Japan and, subject to certain exceptions, may not be offered or sold within Canada, Australia or Japan or to any national, resident or citizen of Canada, Australia or Japan. The securities mentioned herein have not been, and will not be, registered under the Securities Act, and may not be offered or sold in the United States, or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) unless they are registered under the Securities Act or pursuant to an exemption from registration. No public offer of the Shares is being made in the United States. In addition, the Company has not been and will not be registered under the US Investment Company Act of 1940 and investors will not be entitled to the benefits of that Act.

Strong cash flow and asset sales strengthen balance sheet

- Fourth quarter cash flows higher than expected at €6.3 million
  - Forecast was €4.5 million
- Asset sales of €14.6 million in the quarter and a further €6.7 million after the quarter end
- Cash flows used to fully repay outstanding debt and make new investments
- €6.5 million of fresh investments in ABS bonds. Bond portfolio accounts for 15.3% of the investment portfolio as at 31 March 2010
- Quarterly dividend held at 8 cents per share

Fourth quarter financial review: Improved earnings and stable NAV

- Net profit of €3.0 million versus €0.6 million for quarter ended 31 December 2009
- Total fair value gains of €0.1 million compared to losses of €2.4 million in the previous quarter
  - Fair value loss on investment portfolio of €0.4 million, compared to loss of €0.8 million in the previous quarter
  - Fair value gains of €0.5 million in hedge positions (FX and interest rate) versus a loss of €1.6 million in previous quarter
- Total cash proceeds of €20.9 million (forecast of €4.5 million); up from €8.3 million in previous quarter
  - €6.3 million from investment portfolio
  - €14.6 million from sale of investments
- Cash balances of €15.7 million at 31 March 2010 up from €13.7 million as at 31 December 2009
- NAV at 31 March 2010 was €3.73 per share versus €3.69 per share as at 31 December 2009
- Dividend of €0.08 per share for the quarter
  - Equates to dividend yield of 18% on the share price as at 10 June 2010

Increasing focus on growth through expanding bond portfolio

- Realised gains on assets sales
  - Sold €3.4 million (nominal value) of AAA RMBS bonds in January 2010 for a realised return of 28%
  - Sold the Magellan 2 mortgage portfolio in-line with valuations
  - After the quarter end, sold the Gate 06-1 SME portfolio at a price exceeding the Company's valuations

- Sourced fresh opportunities in ABS bonds
  - Purchased €6.5 million of ABS bonds in the March 2010 quarter, and a further €4.8 million of bonds from 1 April to 1 June 2010
  - ABS bonds account for 20.4% of the investment portfolio as at 1 June 2010
  - Shift in investment focus to ABS mezzanine bonds

- Full repayment of debt frees up cash flows
  - Since 31 March 2009, the Company has spent €30.3 million to service interest and fully pay down the debt

Fourth quarter financial highlights – Income statement

Income Statement (Euro millions)	31 Mar 2010	31 Dec 2009	30 Sep 2009
Operating income	3.7	4.1	4.1
Operating expenses			
Finance costs	-0.1	-0.1	-0.2
Other operating expenses	-0.8	-1.0	-1.0
Total operating expenses	-0.8	-1.1	-1.1
Net operating income	2.9	3.0	3.0
Realised and unrealised gains and loss on investment portfolio	-0.4	-0.8	0.9
Net gains/losses on investments at fair value through interest rate swaps, foreign currency and options	0.5	-1.6	-0.3
Total asset value adjustments	0.1	-2.4	0.6
Net loss/profit	3.0	0.6	3.6

*The values for each column may not sum to the total due to rounding differences

Fourth quarter financial highlights – Balance sheet

Balance Sheet (Euro millions)	31 Mar 2010	31 Dec 2009	30 Sep 2009
Assets			
Cash and Cash Equivalents	15.7	13.7	14.8
Assets at Fair Value	91.6	101.6	103.3
Other Assets	1.4	1.6	1.6
Derivative Financial Assets	2.7	3.0	6.0
Total Assets	**111.3**	**120.0**	**125.8**
Liabilities			
Term Financing	-8.6	-18.3	-22.0
Dividend Payable	-2.1	-2.1	-2.1
Performance Fee	0.0	0.0	0.0
Other Liabilities	-1.2	-1.1	-1.7
Total Liabilities	**-12.0**	**-21.6**	**-25.8**
NET ASSETS	99.3	98.4	99.9

*The values for each column may not sum to the total due to rounding differences

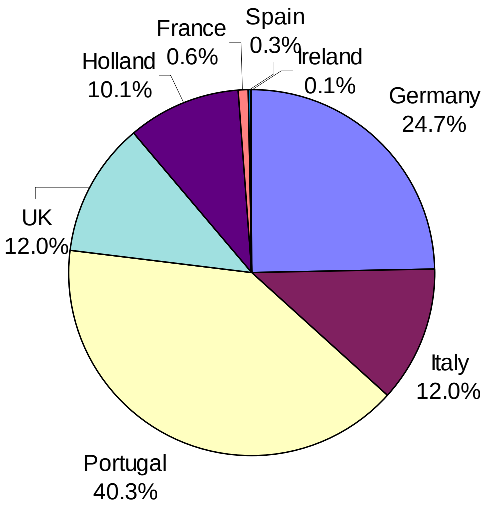
Pro-forma Balance Sheet – 1 June 2010

Balance Sheet (Euro millions)	01 Jun 2010	31 Mar 2010	31 Dec 2009
Assets			
Cash and Cash Equivalents	9.7	15.7	13.7
Assets at Fair Value	91.7	91.6	101.6
Other Assets	1.0	1.4	1.6
Derivative Financial Assets	2.5	2.7	3.0
Total Assets	**104.9**	**111.3**	**120.0**
Liabilities			
Term Financing	0.0	-8.6	-18.3
Dividend Payable	-2.1	-2.1	-2.1
Performance Fee	0.0	0.0	0.0
Other Liabilities	-1.4	-1.2	-1.1
Total Liabilities	**-3.6**	**-12.0**	**-21.6**
NET ASSETS	101.3	99.3	98.4
Ordinary Shares Outstanding	26,644,657	26,644,657	26,644,657
NAV per Share (Euro)	3.80	3.73	3.69

Pro-forma Portfolio Composition – 1 June 2010

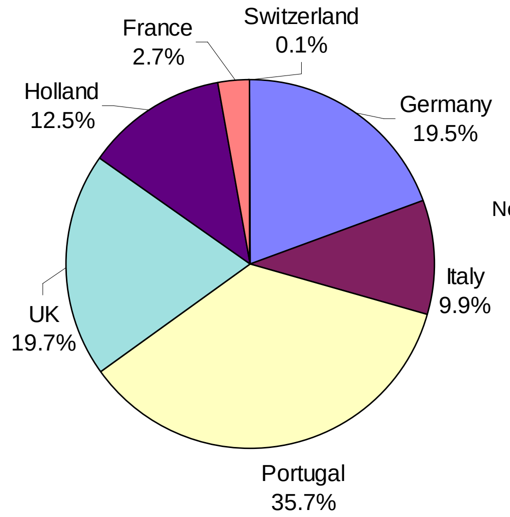
Portfolio Composition by Jurisdiction*

31 December 2009



€102.8 mm

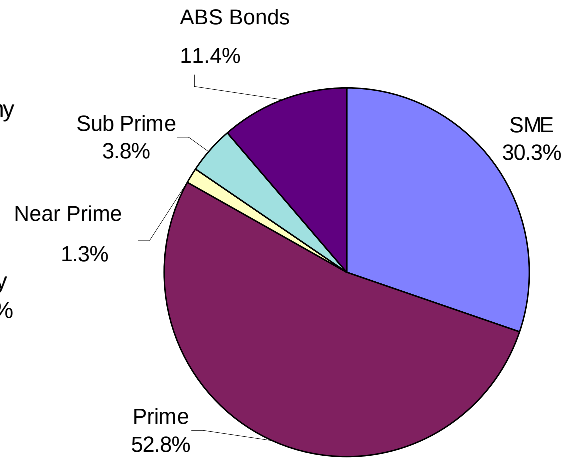
1 June 2010



€92.6 mm

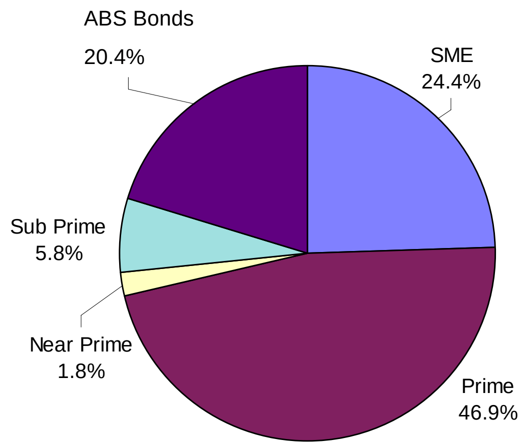
Portfolio Composition by Asset Type*

31 December 2009



€102.8 mm

1 June 2010



€92.6 mm

* By reference to underlying originator jurisdiction and collateral type. Figures stated as a percentage of the fair value of the Company's investments including accrued interest. Figures for 1 June 2010 are unaudited.

Investment Review

A rigorous approach to valuation

- The Company values each asset in the portfolio on a fair value basis[1]. In a liquid market, the fair values would be determined by bid prices observed in the market

- Illiquidity in the ABS residual market means both bid values and brokers marks have become rarer

- The Company has elected to value its residuals using cash flow models, in the absence of a market bid
  - Valuation Models – The Company has cash flow models for each of the Company's residuals. Pricing assumptions, including market discount rates, prepayment rates, default rates and credit losses are revised periodically to take into account changes in actual performance and macro conditions
  - Discount rate – The present value of each of the assets is calculated using a discount rate applied to the expected cash flows
  - External validation – For each of the Company's residuals, except for the two CDO assets, the Company employs an external validation agent to evaluate the Company's investments and establish a range of valuations based on the degree of liquidity, credit rating, the security type and consistency amongst pricing sources

- The bond portfolio continues to be valued using market prices. The Company takes the average of two marks to determine the value of the bonds

[1]For more details please refer to note 3 of the Company's 2010 Annual Report

A diversified portfolio of European loans

- The Company has a portfolio of diversified European investments (as at 1 June 2010):
  - Four Portuguese mortgage portfolios (classified as residuals)
  - One Italian mortgage portfolio (classified as residuals)
  - Seven UK non-conforming mortgage portfolios (classified as residuals)
  - Three small-to-medium enterprise ("SME") loan portfolios (classified as residuals)
  - European Asset-Backed Securities ("ABS")

- The Company receives cash flows from the UK and European mortgage portfolios after financing costs of the securitised debt and credit losses in the portfolios

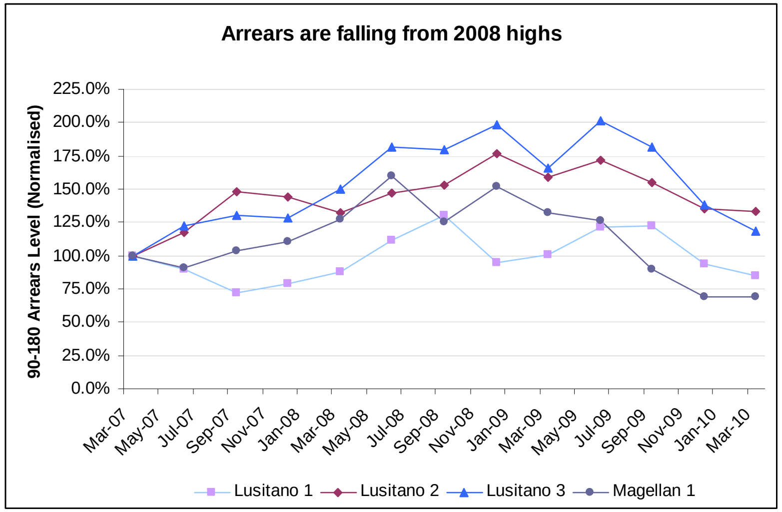
- Securitised debt matches the maturity of mortgage loans so there is no refinancing risk

- With respect to the SME loan portfolios, the Company receives a CDS premium in exchange for insuring against credit losses in the underlying loan portfolios

- Investment grade bonds benefit from a Libor-linked interest payment and in some cases have a return of principal on each interest payment date

European mortgage portfolio:
Cash flows stable; arrears falling

- Fourth quarter cash flow of €1.8 million compared to €2.6 million in the previous quarter
- Quarterly cash flows in line with historic cash flow rate; ahead of forecast of €1.5 million
- Lower arrears levels translated into lower defaults in the quarter.
- Actual default rate is lower than expected; however maintaining current default rate forecasts



Source: Cheyne Capital Management (UK) LLP

Managing risk on Portuguese assets – unemployment is key

- Increasing concerns around Portuguese sovereign risk
  - CDS spreads increased to +325bps as at 1 June 2010 up from +92bps as at 31 December 2009

- With mortgages tied to Euribor, mortgage affordability is unaffected by higher Portuguese credit spreads

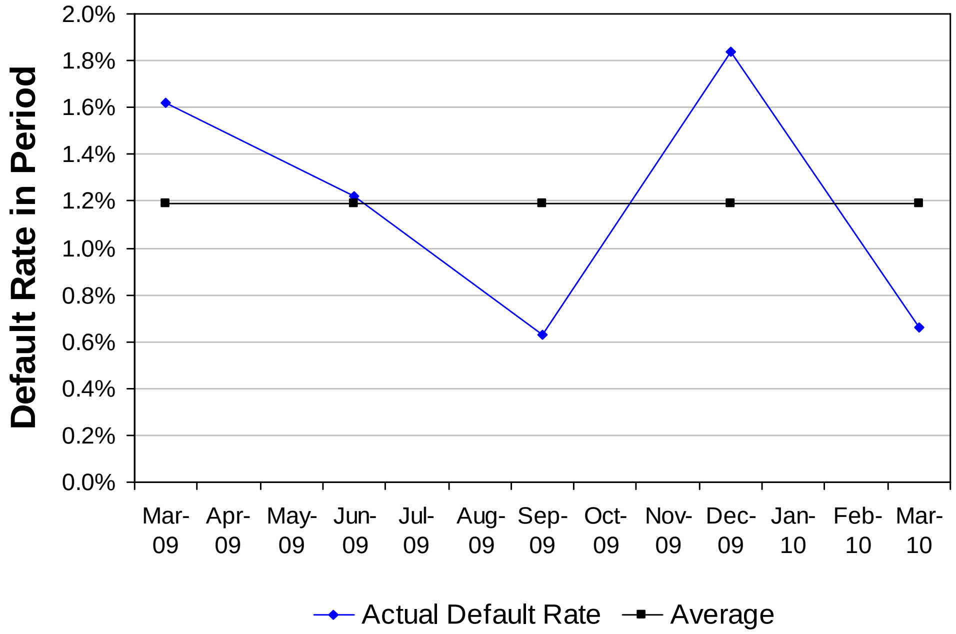
- Key risk to Company investment remains ability to repay mortgages; higher unemployment is main threat
  - 2010 unemployment forecasts have risen from 10% to 10.5%

- Positive announcements from Portugal
  - Government tackling deficit by announcing deficit target of 7.3% of GDP in 2010
  - GDP growth of 1.0% in Q1 2010
  - Export growth of 15% in the year

Source: Barclays Capital, Instiuto Nacional de Estatistica, Cheyne Capital Management (UK) LLP

SME portfolio review:
Cash flow steady, but cautious on outlook

- Fourth quarter cash flow of €1.7 million compared with €1.8 million the previous quarter
- Average default rates of 0.66% in the March 2010 quarter lower than expectations and down from 1.84% in December 2009
- On 28 May 2010, sold the Gate 06-1 SME portfolio at a level that was accretive to NAV



ABS bond portfolio:
Further investments and solid returns

- Recorded cash flows of €0.2 million in the quarter ended 31 March 2010, down from €0.8 million in the previous quarter
- During the March quarter, the Company invested €6.5 million in bonds, and a further €4.8 million up to 1 June 2010
- Expected yield on ABS bond portfolio is 16%[5]

Percentage of Portfolio by Cost (as at 1 June 2010)

Rating[1] by Vintage[2]	2004	2005	2006	2007	Total
AAA	0.0%	4.8%	6.6%	6.2%	17.5%
AA	0.5%	3.3%	13.7%	0.0%	17.6%
A	6.3%	3.4%	14.3%	8.9%	33.0%
BBB	0.0%	5.7%	3.5%	6.2%	15.4%
BB	0.0%	0.0%	13.1%	3.5%	16.5%
Total	6.9%	17.2%	51.2%	24.7%	100.0%

Percentage of Portfolio by Cost (as at 1 June 2010)

Rating[1] by Type	UK Prime RMBS[3]	UK Buy To Let RMBS[3]	UK Non-Conforming RMBS[3]	Euro Prime RMBS[3]	UK CMBS[4]	Euro CMBS[4]	SME	Total
AAA	4.8%	0.0%	0.0%	3.9%	6.2%	2.7%	0.0%	17.5%
AA	0.0%	11.0%	0.0%	0.5%	0.0%	6.0%	0.0%	17.6%
A	2.6%	0.0%	10.2%	0.0%	9.8%	10.5%	0.0%	33.0%
BBB	5.7%	0.0%	0.0%	0.0%	0.0%	5.9%	3.8%	15.4%
BB	0.0%	0.0%	2.3%	0.0%	1.3%	13.0%	0.0%	16.5%
Total	13.0%	11.0%	12.5%	4.4%	17.2%	38.1%	3.8%	100.0%

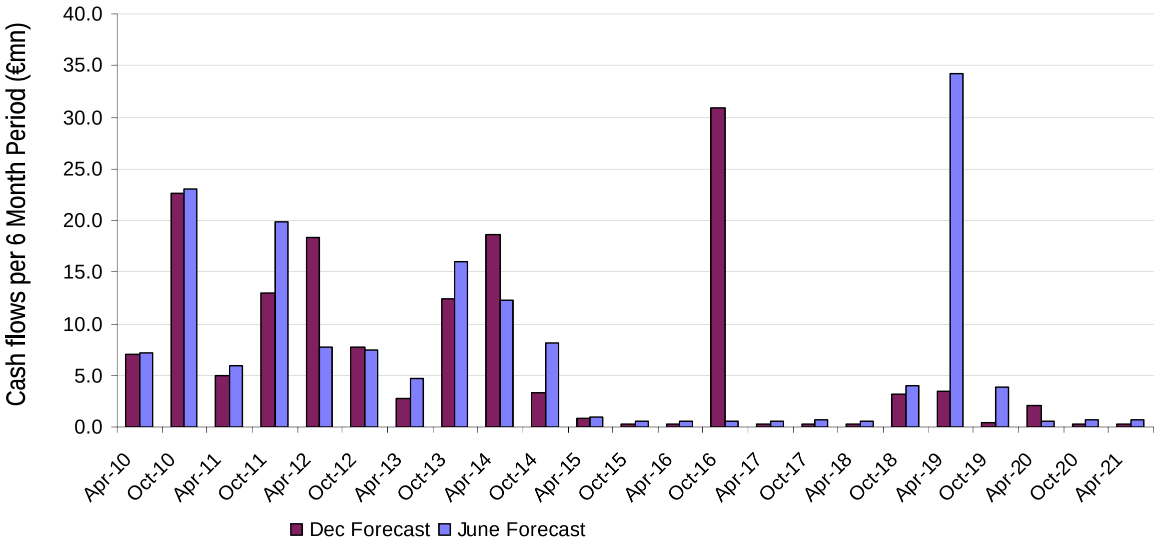
1. Rating at time of purchase
2. Vintage reflects the issue date of the bond. Weighted average rating of the portfolio (based on invested amount) is approximately BBB. Calculated using Moody's WARF (weighted average risk factor) approach
3. Residential Mortgage Backed Securities
4. Commercial Mortgage Backed Securities
5. Expected yield based on expected cash flows at time of purchase and weighted by cost price

UK mortgage portfolio: Recovering value as defaults fall

- Quarterly cash flow £1.6 million compared with £1.2 million in the previous quarter, ahead of expectations
- Company has increased valuation of the three RMAC assets by £3.4 million
  - Mortgage default rates lower than expected
- The Company continues to work with mortgage originators to identify loans that do not satisfy representations and warranties provided at the time of the securitisation

Expected cash flow profile of the Company's investment portfolio

Expected Cash Flow Profile from the Investment Portfolio Per 6 Month Period[1,2,3]



1. Cash flows reflect both interest and principal repayments from the Company's residual and investment grade bond portfolio.
2. Cash flows for the October to April 2011 period assumes repurchase of the Magellan 1 portfolio by BCP.
3. Cash flows take into account sale of AAA bonds, new bond purchases, sale of Magellan 2 and Gate 06-1 portfolio.

- Total loss adjusted cash flow forecasts as at 1 June 2010: €168.0 million
  - Cash flow forecast (on a like for like basis) as at 31 December 2009: €160.5 million
- Forecast revised upwards after taking into account expected cash flows from new bond investments
- Taking into account debt and cash on balance sheet, Net Lifetime Cash Value of €177.7 million up from €168.0 million as at 31 December 2009
- The Company's market capitalisation is approximately €51 million

Company outlook:
Focus on new investment opportunities

- Continue to sell assets in the legacy portfolio in line with the Company's valuations
- Mezzanine ABS bonds offer better relative value than higher-rated securities
- Expected cash flows of €4.0million per quarter. Total loss adjusted gross cash flow forecast of €168.0 million
- Caution about market conditions - valuations assume weakening in underlying loan performance
- Well-positioned for growth and committed to building NAV